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RENT REVIEW



Ministry of
Consumer and
Commercial
Ontario Relations

**These are
the facts:**



Guideline limit

Throughout the text of this booklet there are references to the "guideline limit".

As of October 27, 1977, the guideline limit for increases in rent is 6%. Prior to October 27, 1977 the guideline limit was 8%.

For increases effective on or after October 27, 1977 for which notice of an 8% rent increase was served before October 27, 1977:

- **a 6% increase may be collected instead of the 8% increase**
- **an 8% increase may be sought by the landlord through the Rent Review process provided the landlord applies to Rent Review at least 60 days before the commencement or renewal of the tenancy agreement to which the increase applies**
- **an increase greater than that in the original notice may be sought by the landlord through the Rent Review process provided the landlord serves a new notice of rent increase at least 90 days before the effective date of the proposed increase and applies to Rent Review, and provided he has not entered into a tenancy agreement which would make him ineligible to do so.**

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The beginning

Rent Review became law in Ontario on December 18, 1975, with the passage of The Residential Premises Rent Review Act.

Since its creation, the Rent Review Program has taken into account the needs of both tenants and landlords. It ensures that tenants of residential premises do not experience unjustified rent increases. At the same time, it allows landlords to recover increased costs and pass these on to tenants as tenancy agreements are renewed.

Some basic facts

Rent Review applies to most residential tenancy agreements, oral, written or implied, of a fixed or of a periodic nature.

A tenancy agreement is an agreement between landlord and tenant for possession of residential rental premises. An agreement can be for a fixed term, for example, with a one, two or five year lease, or it can be periodic, with no fixed term specified. Often periodic agreements are oral arrangements, involving monthly or weekly tenancies.

Rent Review applies to more than written leases. It applies to all tenancy agreements, written, oral or implied, subject to certain exceptions mentioned later in this booklet. No one can sign or orally give away the right to Rent Review.

A landlord is allowed to charge only one increase per twelve month period for each rental unit.

The Act defines "rent" as the total charges paid or required to be paid for occupancy, and for any service, privilege, accommodation or thing that the landlord provides for the tenant. This includes services or privileges such as parking or cable television that are specified in the tenancy agreement. Any additional increase in such charges which the landlord proposes, whether for the unit itself, or for services to the unit, constitutes a rent increase.

Although a discontinuance of service is considered a rent increase, it can occur within twelve months of a previous increase.

The maximum increase a landlord may charge without coming to Rent Review is the guideline limit specified in the Act and its Regulations. The Act stipulates that a landlord

may charge only one rent increase per year for each rental unit. This provision applies to the rental unit regardless of who occupies or owns the premises during the year.

The Residential Premises Rent Review Act is in effect until December 31, 1978; however, certain provisions affecting rent increases apply beyond that date. For example, if an increase in rent is taken on April 1, 1978, another increase cannot be taken until a year has elapsed, or until April 1, 1979.

A landlord must give a tenant not less than 90 days' written notice of any rent increase, accompanied by written reasons for the increase.

The Landlord and Tenant Act requires a landlord to provide a tenant with a notice in writing of any proposed rent increase not less than 90 days prior to the termination of the tenancy agreement. If there is a lease in effect, this notice must be given 90 days prior to the expiry of the agreement. In regard to periodic tenancies, the notice must be given 90 days prior to the end of a period of tenancy.

There is no mandatory form which the landlord must use for this notice. However, to comply with both The Landlord and Tenant Act and The Residential Premises Rent Review Act, the notice must name the premises, state the amount of the increase, state the date of the proposed increase and give the reasons for the increase.

Convenient forms for the purpose of providing notification of an increase, and written explanations, are available on request from local Rent Review offices.

Proper 90 days' notice, accompanied by a written explanation, must be given for *any* proposed rent increase, whether within or above the guideline limit.

Applying for Rent Review

If the rent increase proposed is above the guideline limit, a landlord must apply for Rent Review at least 60 days prior to the commencement or renewal of a tenancy agreement.

A landlord need not apply for Rent Review if the increase proposed for a particular rental unit does not exceed the guideline limit. If there has been no increase for a year and proper notice of a rent increase has been given, a landlord may increase the lawful rent for the last month of the existing tenancy by the guideline limit, without coming to Rent Review.

If a landlord proposes to charge more than the guideline increase, he must apply for Rent Review. He must complete an application form, and give copies of the completed form in the prescribed manner to the tenant and to the local Rent Review office. (For the location of your local Rent Review office, refer to the end of this booklet.)

This application must be filed at least 60 days prior to the commencement or renewal of a fixed tenancy agreement, or, in the case of a periodic tenancy, at least 60 days prior to the proposed increase. An increase in rent can be considered only if the application was filed in time.

A landlord must complete and file separate application forms for each rental unit on which the increase will exceed the guideline limit. It is not sufficient for a landlord to file one application form for a large residential building with numerous units.

Once a landlord has filed an application for Rent Review, it cannot be withdrawn. The Rent Review Officer will hold a hearing and may consider the question of withdrawal of the application at that time.

A tenant may seek Rent Review for any proposed rent increase, whether it is above or within the guideline limit.

When a landlord informs a tenant of a proposed rent increase, a tenant has 60 days from the receipt of notice in which to dispute the increase by filing a form (which may be obtained from local Rent Review offices) with the Rent Review office, asking for justification of the increase. A copy of the completed form must also be sent to the landlord.

It should be noted that in the case of a discontinuance of any service or privilege previously provided by the landlord, there is no deadline for a tenant's application. Such an application constitutes a request for a reduction in rent from the date of the application equal to the value of the service or privilege withdrawn.

A tenant's notice for rent justification alerts the landlord that the tenant is not convinced of the merit of the proposed rent increase, and seeks justification of it.

Upon receipt of a copy of the tenant's notice, the landlord has 15 days either to come to an agreement with the tenant for a reduction of the rent increase to an amount not above the guideline limit, or to proceed to file his own application for review of the proposed increase.

If a landlord and tenant reach an agreement under the first option, and the agreed-upon increase does not exceed the guideline limit, the matter is effectively decided at this point.

If no agreement is reached, whether the proposed increase is within or above the guideline limit, a landlord must respond to a tenant's notice within 15 days by completing and filing an application for Rent Review.

If a landlord does not respond in either way within the 15 day period, the tenant may file an application for a Rent Increase Nullification with the Rent Review office. This application form, available from Rent Review offices, asks the Rent Review Officer to declare the proposed increase null and void. Upon receipt of this type of application form, the Rent Review Officer will conduct a Nullification hearing.

A tenant may apply for a hearing when a discontinuance of service has resulted in a reduction in the use and enjoyment of the rental unit.

It is considered a rent increase when a service, privilege, accommodation or thing previously included in the tenancy agreement is discontinued, resulting in a reduction of the use and enjoyment of the rental unit. In such cases, the tenant can apply for review by filing a form with the local Rent Review office. He must send or deliver a copy of this application to the landlord.

On the basis of this application, the Rent Review Officer will schedule a hearing. He will decide whether there has been a discontinuance of service, privilege, accommodation or thing resulting in a reduction in the tenant's use and enjoyment of the unit. If this has occurred, the Rent Review Officer will determine the value of this discontinued service, and order a corresponding decrease in rent.

The result of an application

When a landlord has applied for Rent Review to seek approval for a proposed rent increase, a Rent Review Officer will arrange a hearing to consider the application.

Once an application for review has been received, the landlord and tenant concerned will be notified by a Notice of Hearing of the date, time and place at which the hearing will take place. This notice is sent within 30 days of receipt of an application.

Where a landlord has submitted applications for review of a number of rental units in the same building or project, the Rent Review Officer may decide to hold a common hearing to consider all applications at once. On receipt of a single application for Rent Review, the Rent Review Officer also has the discretion to order the landlord to file applications for review of rents of other rental units in the same building or project.

Since the amount of increase allowed will be based on cost increases expected by the landlord, the Rent Review Officer will need, in advance of the hearing, certain information from the landlord concerning financial data on the operating costs and revenues of the building or project.

The Cost Revenue Statement form designed to document the required information, and the accompanying Guide to assist in its interpretation and completion are available to landlords and tenants at Rent Review offices. If the cost revenue information is not submitted, either on the form designed by the Program, or in some other manner, the Rent Review Officer may have no basis upon which to grant a rent increase.

The hearing

The hearing is an informal examination of facts, in which the Rent Review Officer protects the rights of both parties.

The operation of a Rent Review hearing is less formal than a court of law. The hearing is not intended to be an adversary situation in which the landlord is pitted against the tenants. It is not necessary for a landlord or a tenant to be represented by legal counsel.

The Rent Review Officer aids the parties concerned by explaining, in simple terms, the powers he has under The Residential Premises Rent Review Act, the purpose of the hearing, and issues involved. He will also outline the procedure he will follow during the hearing and point out to the parties involved their rights and obligations at the hearing.

At the hearing, when a rent increase proposed by a landlord is under review, the Rent Review Officer will examine the cost revenue information submitted in support of the proposed increase. All parties to the hearing may examine all material filed with the Rent Review office prior to, or at the hearing.

During the course of the review of the Cost Revenue Statement, the Rent Review Officer will check details, and will invite questions from the tenants about the cost revenue data.

The Rent Review Officer will not give his decision immediately upon concluding the hearing. All evidence and submissions will be analysed carefully and a decision subsequently issued in the form of a written order. All parties to the hearing will be mailed copies of the Rent Review Officer's decision.

Attendance at the hearing is important. If personal attendance is not possible, the individuals involved may appoint someone to act as their representative by completing the form on the Notice of Hearing sent by the Rent Review office, empowering another person to represent them. Those who attend the hearing may appoint someone to speak on their behalf.

Attendance becomes important in the case of appeal. Those parties who fail to attend or are not represented at a hearing may lose their right to appeal the decision of the Rent Review Officer. In order to appeal, they must apply in writing to the Board for permission to appeal if they were unable to attend the original Rent Review hearing.

The order of the Rent Review Officer

The rental decision of the Rent Review Officer will be in the form of an order, stating the maximum rent allowable on the unit for a definite period.

In determining what rent increase, if any, should be permitted, a Rent Review Officer will study the cost revenue data provided, including figures detailing the operating costs and any capital expenditures incurred by the landlord. He will study any submissions made by the tenants, the rental history of the units involved in the hearing, the mortgage or financing arrangements and will determine whether a landlord is sustaining a financial loss.

The Rent Review Officer's determination is based on the cost pass-through principle. This means that justified increases in costs will be translated into increased rents to allow landlords to recover these costs. The Rent Review Officer will not order any rent increase which is above that for which the landlord has applied.

A rental decision of a Rent Review Officer is given as an order which is accompanied by written reasons explaining

it. It will stipulate the maximum allowable rent for a definite period of time for the specified rental unit. This amount remains in effect for the unit whether tenants or landlord change during that period.

An order made after the proposed increase was to come into effect could be retroactive. The order may specify that the landlord is to rebate to the tenant within five days any amount owing. If the landlord does not comply, the tenant is permitted to deduct the amount specified from the next month's rent payment and from future months' rent payments until the amount specified is fully repaid.

If the order stipulates that the tenant owes the landlord a certain amount, this amount becomes a legal payment due to the landlord.

The right of appeal

The order or decision of a Rent Review Officer may be appealed to the Residential Premises Rent Review Board by a landlord or a tenant.

The Board is a separate entity from the Rent Review Program. A minimum of two Board members, one of whom is a representative of tenants, can conduct an appeal and render a decision. An appeal is a completely new hearing at which the Board may consider any evidence it deems relevant.

In order to be eligible to appeal, the appellant must file a Notice of Appeal within 21 calendar days from the date on the Rent Review Officer's order either by delivering the notice or by forwarding it by registered mail to the Board at 60 Bloor Street West, 7th. Floor, Toronto, M4W-3B8. Within seven days from the filing of an appeal copies must be provided for each of the other parties involved.

If the party wishing to appeal was not in attendance or represented at the hearing held by the Rent Review Officer, permission to appeal must be obtained from the Board at the Hearing before the appeal can be conducted.

A landlord may complete one Notice of Appeal for a number of rental units in the same building or project by attaching a list of the units involved along with the names of the tenants in each unit.

The filing of an appeal of the Rent Review Officer's order stays the decision or order of the Officer until the Board reaches its decision. Therefore, if an appeal has been made a tenant who may be entitled to a rebate under the

order of the Rent Review Officer should not proceed to claim the rebate, or deduct it from the next month's rent. Also, if a tenant owes back rent to the landlord, the latter should not take any action to claim that back rent pending the outcome of the appeal.

While the appeal is pending a landlord may charge an increase up to the guideline limit from the effective date of the proposed increase.

After conducting the appeal, which can proceed in the absence of a party (the appeal may be dismissed if the party who appealed does not attend), the Board will render its decision, copies of which will be forwarded to all parties. The Board will provide written reasons for its decision upon request.

The order of the Board is final and binding on all parties.

Exemptions from the Act

There are aspects of the relationship between landlord and tenant which are not dealt with by the Rent Review legislation.

The Landlord and Tenant Act sets out the relationship between landlords and tenants in all respects other than those covered by The Residential Premises Rent Review Act. Included in The Landlord and Tenant Act are such matters as:

- the landlord's obligations regarding maintenance, health, building and safety standards
- requirements for termination of tenancy, notice to vacate, notice of rent arrears
- grounds and procedures for eviction of tenants, or other claims which can be made by a landlord or tenant.

Such matters are outside the jurisdiction of the Rent Review Officer. The Rent Review process cannot resolve disputes concerning such matters.

There are a number of Landlord and Tenant Advisory Bureaus and Community Information Centres throughout the Province, where information on The Landlord and Tenant Act may be obtained.

Some residential rental accommodation is exempt from Rent Review.

Although the majority of residential rental accommodation is included under the Rent Review legislation, some are excluded. These exemptions include:

- premises in a non-profit housing project where rents are subject to the approval of the Governments of Canada or Ontario
- premises in a non-profit, co-operative housing project as defined in the National Housing Act
- premises owned or operated by a public hospital, or a religious institution for charitable use on a non-profit basis
- premises owned, operated or administered by or on behalf of the Governments of Canada or Ontario, a municipal, district, regional or metropolitan government, or any agency thereof
- tenancy agreements between the Government of Ontario or any agency thereof whereby financial assistance is being provided to the tenant.
- premises in a hotel, motel or vacation home which are rented for a seasonal or temporary period not exceeding four months
- premises in a building in which none of the residential units was occupied as rental premises before January 1, 1976
- premises owned or operated by a non-profit educational institution to provide accommodation for students or staff of the institution under the conditions defined in the legislation.

Enforcement of the Act

The Rent Review process and the program's compliance procedures enable the public to enforce their rights under the Act.

Tenants and landlords are expected to take an active part in protecting their rights under the Act. An application to the Rent Review Office is one important way of protecting these rights. An order, resulting from a hearing, is the basis upon which enforcement of one's rights is effected.

If one party refuses to obey an order, the other party may contact the local Rent Review office. The office may also be informed if a landlord attempts to charge a tenant more than the guideline limit allowed without applying for Rent Review.

The Rent Review Program has developed compliance procedures which have been designed to assist people in enforcing their rights. The Rent Review office will first attempt to contact those who may not be complying with the Act, to dispel any possible misconceptions about the requirements of the legislation.

If this does not result in a settlement of any dispute, the Rent Review office will then discuss with the individual concerned his legal position.

Section 17 of The Residential Premises Rent Review Act provides for prosecution where the Act is contravened.

It is an offence under The Residential Premises Rent Review Act for anyone to:

- Charge or attempt to charge a rent increase greater than the guideline limit of the Act without the approval of a Rent Review Officer or the Residential Premises Rent Review Board
- charge or attempt to charge more than one rent increase during a twelve month period
- make or attempt to make a rent increase after December 31, 1978, which occurs within twelve months of an increase effective before December 31, 1978
- collect a rent in excess of the maximum amount permitted in the order of a Rent Review Officer or the Rent Review Board
- refuse to furnish information requested by a Rent Review Officer or the Board when an application is pending
- knowingly furnish false information in any application, statement of particulars or forms required to be made under the Act or its Regulations
- refuse to file an application for Rent Review when ordered to do so by a Rent Review Officer.

Summary conviction for these offences could result in a fine of up to \$25,000 for corporations or up to \$2,000 for individuals, including every director or officer of a corporation who knowingly concurs in a contravention of the Act.

Rent Review

Office locations

If you live outside the toll-free dialing area for the office serving your municipality, dial the operator and ask for Zenith 9-6000. You will be connected with the rent review office free of charge.

Landlords and tenants wishing information, forms or assistance in connection with The Residential Premises Rent Review Act may call or visit their local rent review office listed below.

Office and area served	Office location
Metro Toronto City of Toronto	Ontario Rent Review 77 Bloor St. W., 2nd Fl. Toronto M5S 1M2 Tel. 964-8281
Etobicoke	Ontario Rent Review 56 Aberfoyle Cres., 4th Fl. Etobicoke M8X 2W4 Tel. 236-2681
East York	Ontario Rent Review 1880 O'Connor Dr., 2nd Fl. Toronto M4A 1W9 Tel. 752-0683
North York	Ontario Rent Review 45 Sheppard Ave. E. Willowdale M2N 2Z8 Tel. 226-6303
Scarborough	Ontario Rent Review 2100 Ellesmere Rd. E. Scarborough M1H 3B7 Tel. 438-3452
York	Ontario Rent Review 702 Weston Rd. Toronto, M6N 3R2 Tel. 762-7545

**Office and
area served****Office
location****Central-East**

Barrie, for the County of
Simcoe and the District
Municipality of Muskoka

Ontario Rent Review
110 Dunlop St. E.
Barrie L4M 1A5
Tel. 737-2111

Mississauga, for the
Regional Municipality of
Peel, South of the 401

Ontario Rent Review
1310 Dundas St. E.
Mississauga L4Y 2C1
Tel. 270-3280

Brampton, for the Regional
Municipality of Peel,
North of the 401

Ontario Rent Review
Room 1
85 Kennedy Rd. S.
Brampton, L6W 3G1
Tel. 453-7372

Oshawa, for the Regional
Municipality of Durham

Ontario Rent Review
74 Simcoe St. S., 2nd Fl.
Oshawa L1H 4G6
Tel. 579-4421

Peterborough, for the
Counties of Peterborough,
Northumberland, Victoria,
and Haliburton.

Ontario Rent Review
340 George St. N.
Peterborough K9H 7E8
Tel. 743-9511

Richmond Hill, for the
Regional Municipality
of York

Ontario Rent Review
10255 Yonge St., 2nd Fl.
Richmond Hill L4C 3B2
Tel. 884-6092

Central-West

Hamilton, for the Regional
Municipalities of Hamilton-
Wentworth, Halton,
Haldimand-Norfolk, and
the County of Brant

Ontario Rent Review
55 Hess St. S., 21st Fl.
Hamilton L8P 4R8
Tel. 528-8701

Kitchener, for the Regional
Municipality of Waterloo
and the Counties of
Wellington and Dufferin

Ontario Rent Review
30 Duke St. W.
Kitchener, N2H 3W5
Tel. 579-5790

St. Catharines for the
Regional Municipality
of Niagara

Ontario Rent Review
80 King St., 4th Fl.
St. Catharines L2R 7G1
Tel. 684-6562

Northeastern

North Bay, for the
Districts of Nipissing
and Parry Sound

Ontario Rent Review
215 Oak St. E.
North Bay P1B 8P8
Tel. 476-1231

Sault Ste. Marie, for the
District of Algoma

Ontario Rent Review
421 Bay St., 2nd Fl.
Sault Ste. Marie P6A 1X3
Tel. 942-1123

Sudbury, for the Regional
Municipality of Sudbury
and Districts of Sudbury
and Manitoulin

Ontario Rent Review
45 Elm St. E., 4th Fl.
Sudbury P3C 1S3
Tel. 673-7173

Timmins, for the Districts
of Cochrane and
Timiskaming

Ontario Rent Review
273 Third Avenue, 2nd Fl.
Timmins P4N 1E2
Tel. 264-9555

Northwestern

Kenora, for the Districts
of Kenora and Rainy River

Ontario Rent Review
37 Main St. S., 2nd Fl.
Kenora P9N 1S8
Tel. 468-3159

Thunder Bay, for the District
of Thunder Bay

Ontario Rent Review
435 James St. S., 3rd Fl.
Thunder Bay P7E 6E3
Tel. 475-1595

Southwestern

London, for the Counties
of Middlesex, Oxford,
Elgin, Lambton, Perth
and Huron

Ontario Rent Review
80 Dundas St.
London N6A 2P3
Tel. 673-1660

Owen Sound for the
Counties of Grey and Bruce

Ontario Rent Review
896 3rd Ave. E., 2nd Fl.
Owen Sound N4K 2K5
Tel. 376-3202

Windsor, for the Counties
of Essex and Kent

Ontario Rent Review
251 Goyeau St., 6th Fl.
Windsor N9A 6V2
Tel. 253-3532

**Office and
area served**

**Office
location**

Eastern

Belleville, for the
Counties of Hastings and
Prince Edward

Ontario Rent Review
Suite 204
210 Dundas St. E.
Belleville, K8N 5G8
Tel. 966-4451

Cornwall, for the Counties
of Stormont, Dundas &
Glengarry, and Prescott &
Russell

Ontario Rent Review
4 Montreal Rd., 3rd Fl.
Cornwall K6H 1B1
Tel. 933-8662

Kingston, for the
Counties of Frontenac,
Lennox & Addington,
Leeds & Grenville, and that
portion of Lanark County
lying west of Highway 29,
excluding the towns of
Carleton Place (see
Ottawa) and Smiths Falls
(see Ottawa)

Ontario Rent Review
74 Brock St., 2nd Fl.
Kingston K7L 1R9
Tel. 549-4426

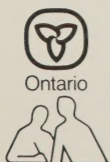
Ottawa, for the Regional
Municipality of Ottawa-
Carleton plus that portion
of Lanark County lying
east of Highway 29,
including the towns of
Carleton Place and
Smiths Falls.

Ontario Rent Review
265 Carling Ave., 4th Fl.
Ottawa K1S 2E1
Tel. 238-5055

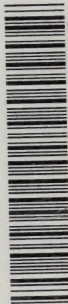
Pembroke, for the County
of Renfrew

Ontario Rent Review
169 William St.
Pembroke K8A 1N7
Tel. 735-0135

Notes



**RENT
REVIEW**



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Ontario

Ministry of
Consumer and
Commercial
Relations

William G. Davis, Premier
Larry Grossman, Minister